

**ROBB EVANS OF  
ROBB EVANS & ASSOCIATES LLC  
Receiver of I Works, Inc., et al. and  
the Assets of Jeremy Johnson**

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**Federal Trade Commission v. Jeremy Johnson, I Works, Inc., et al.  
CASE No. 2:10-CV-02203-MMD-GWF**

**Notice of Filing of Motion to Approve Settlement  
Agreement with Federal Deposit Insurance Corporation  
as Receiver for Sunfirst Bank**

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13  
 14 **UNITED STATES DISTRICT COURT**  
 15 **DISTRICT OF NEVADA**  
 16

17 FEDERAL TRADE COMMISSION,  
 18 Plaintiff,  
 19 v.  
 20 JEREMY JOHNSON, individually, as officer  
 of Defendants I Works, Inc., etc., et al.,  
 21 Defendants.  
 22

Case No. 2:10-CV-02203-MMD-GWF

**NOTICE OF FILING OF MOTION TO  
 APPROVE SETTLEMENT AGREEMENT  
 WITH FEDERAL DEPOSIT INSURANCE  
 CORPORATION AS RECEIVER FOR  
 SUNFIRST BANK**

23  
 24 PLEASE TAKE NOTICE that Robb Evans of Robb Evans & Associates LLC, the Court-  
 25 appointed Receiver in this matter ("Receiver"), has filed with the Court his Motion to Approve  
 26 Settlement Agreement with Federal Deposit Insurance Corporation as Receiver for SunFirst Bank  
 27 ("Motion"). Pursuant to the Motion, the Receiver moves the Court for an order approving the  
 28 Receiver's Settlement Agreement ("Settlement") with the Federal Deposit Insurance Corporation

1 in its capacity as Receiver for SunFirst Bank ("FDIC") concerning the note evidenced by the  
2 Credit Agreement and Disclosure dated December 2, 2009 in the maximum principal sum of  
3 \$3,100,000 executed by Sharla Johnson ("Note") secured by a first deed of trust in favor of  
4 SunFirst Bank ("SunFirst") encumbering the residence of defendant Jeremy Johnson ("Johnson")  
5 and relief defendant Sharla Johnson located at 529 S. Woodsvie Circle, St. George, Utah  
6 ("Woodsvie Residence"). A copy of the Settlement is attached as Exhibit 1 to the Declaration of  
7 Brick Kane filed in support of the Motion. In connection with the approval of the Settlement, the  
8 Receiver seeks approval by the Court to make the note sale payment to the FDIC from  
9 receivership estate assets in the amount of \$1,705,000 in exchange for an assignment, transfer and  
10 purchase of the SunFirst Note, SunFirst deed of trust securing the SunFirst Note and all related  
11 loan documents. The Settlement contains additional provisions regarding its implementation and  
12 other material terms, and interested parties should review the Settlement in its entirety for a  
13 complete description of the Settlement terms.

14         The Settlement resolves disputes asserted by the Receiver against the FDIC concerning the  
15 debt obligations secured by the deed of trust on the Woodsvie Residence and the circumstances  
16 surrounding the loan from SunFirst to Sharla Johnson evidenced by the Note. The Woodsvie  
17 Residence is subject to multiple, extensive liens in addition to the first deed of trust in favor of  
18 SunFirst which the receivership estate would acquire under this Settlement, which are junior to the  
19 first deed of trust in favor of SunFirst. Those liens include, but are not limited to, a lien in favor of  
20 the Internal Revenue Service for federal taxes of over \$2.6 million and a lien in favor of the Utah  
21 state taxing authority for state taxes of over \$293,000. The amount of the note sale payment is  
22 less than 50% of the outstanding amount due under the Note which, including unpaid interest as of  
23 July 31, 2015, totals more than \$3.9 million. For the reasons detailed in the memorandum of  
24 points and authorities filed in support of the Motion, the acquisition of the Note under the  
25 Settlement will create significant value for the receivership estate based on the total amount owed  
26 under the Note as well as the ability to eliminate junior liens encumbering the Woodsvie  
27 Residence that would otherwise inhibit the estate's ability to realize the value of the property for  
28 creditors.

1 In connection with the approval of the Settlement, the Receiver seeks Court approval for  
2 the Receiver to take all steps necessary or convenient to implement and perform under the  
3 Settlement, including making the note sale payment to the FDIC from receivership estate assets,  
4 and to execute all documents necessary for the Receiver to execute under the Settlement.

5 The Receiver recommends approval of the Settlement on the grounds it is fair and  
6 equitable and in the best interests of the receivership estate. The Settlement is a fair compromise  
7 of the estate's claims concerning the Note and will allow the estate to obtain a Note with a total  
8 amount due of over \$3.9 million for significantly less than half that amount. The Note is secured  
9 by property that the Receiver estimates is worth more than the first deed of trust in favor of  
10 SunFirst securing the Note. The Settlement will provide the estate the opportunity to realize the  
11 value of the Woodsvie Residence for the estate and its creditors either through a payoff of the  
12 Note and first deed of trust or through a sale of the property, potentially after a foreclosure on the  
13 first deed of trust by the Receiver at an appropriate time when authorized by the Court. The value  
14 of the Woodsvie Residence is one of the most significant of the remaining assets of the  
15 receivership estate which has not been reduced to cash.

16 The Receiver further seeks an order deeming notice of the Motion to be sufficient under  
17 Local Civil Rules 66-5 and 66-10 based on the service of this notice of the filing of the Motion  
18 and the Motion on all parties, and service of this notice of the filing of the Motion on all known  
19 non-consumer creditors of the estate, and on all known taxing authorities with a potential claim in  
20 the receivership estate concurrent with the filing of the Motion with the Court.

21 The Motion is made under Local Civil Rules 7-2, 66-5 and 66-10 and other applicable law  
22 and is based on this separate Notice of Filing, the Motion, the Memorandum of Points and  
23 Authorities attached hereto and the Declarations of Brick Kane and Gary Owen Caris filed  
24 concurrently herewith in support of the Motion, the proposed order lodged concurrently with the  
25 Motion, and on the pleadings, records and files of the Court in this receivership proceeding of  
26 which the Receiver requests the Court take judicial notice, including without limitation the  
27 Preliminary Injunction Order (Doc. No. 130) and the Clarifying Order entered March 25, 2013 and  
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